



TO: The Honorable Tony Evers, Wisconsin Governor
Edmund Manydeeds III, President – UW System Board of Regents
Joel Brennan, Secretary – Department of Administration
Michael Queensland, Senate Chief Clerk
Ted Blazel, Assembly Chief Clerk

FR: Connie Schulze, Director of Government Affairs

DT: October 28, 2021

RE: Annual report required under Wis. Stat. 233.04(1)

The UWHC Authority report on patient care, education, research, community service activities and a draft audited financial statement, as required by state law, follows. Please contact me if you have questions. I can be reached at 608/516-2552.

Thank you.

UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS
2020-2021 Annual Report to the Legislature

Fiscal Year 2020-2021 was another milestone year for UW Health. UW Hospitals and Clinics (d/b/a UW Health) continued to *advance health without compromise through service, scholarship, science, and social responsibility*. This is our mission, and we work to fulfill it every day.

Despite unforeseen challenges throughout the year brought on primarily by the COVID-19 pandemic, UW Health continued to garner national recognition as a high-performing healthcare organization; workplace of choice; and leader in quality, safety, patient satisfaction and equity. As Wisconsin's premier academic medical center, this year's awards and honors included:

- University Hospital is ranked 28th in the nation, and among the top 200 in the world, in *Newsweek and Statista's World's Best Hospitals (2021)*
- *US News & World Report's "Best Hospitals"* ranked University of Wisconsin Hospitals, which includes University Hospital and The American Center, #1 in Wisconsin for the tenth year in a row. They also ranked seven medical and surgical specialties among the best in the nation and three others as high performing. (2021)
- Pediatric specialties at American Family Children's Hospital have ranked among the nation's top for 11 years, according to *US News & World Report*. (2021)
- UW Health received Two National Awards for Achievements in Sustainability from *Practice Greenhealth*, the nation's leading organization dedicated to environmental sustainability in healthcare. (2021)
- UW Health once again named as a "Leader in LGBTQ Healthcare Equality" by the *Human Rights Campaign Foundation (HRC)*, the educational arm of the nation's largest lesbian, gay, bisexual, transgender, and queer (LGBTQ) civil rights organization. (2021)
- Named One of the Nation's 50 Top Cardiovascular Hospitals by *Watson Health (2021)*
- University Hospital was awarded a Platinum Performance Achievement Award from the *American College of Cardiology Foundation and the American Heart Association* for implementing a "higher standard of care" for high-risk heart attack patients. (2021)
- *American Nurses Credentialing Center* named University of Wisconsin Hospitals and Clinics, UW Health at The American Center and American Family Children's Hospital as Magnet®-designated facilities for nursing excellence and quality patient care. (2021)
- *Harvard Business School Club of Wisconsin* honored Alan Kaplan, MD, CEO of UW Health, as the Business Leader of the Year 2021

While we are honored to receive these awards and recognitions, we see them as an extension of our continued commitment to our vision of *Remarkable Healthcare*.

Strategic Plan

UW Health's strategic plan frames our priorities. The plan is defined by our mission of Patient Care, Education, Research and Community Service and our vision for *Remarkable Healthcare*. We remain focused on enduring achievement and success through five important domains, while utilizing four foundational competencies.

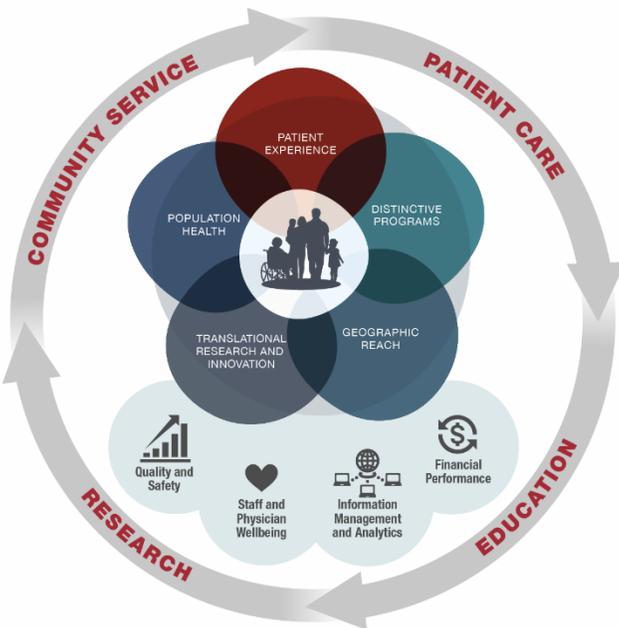
Four Foundational Competencies

Foundational competencies are essential to achieving our vision. They are too important to be identified as a "strategy," which has the potential to change every three to five years as the world around us evolves. These foundational competencies will not change. The foundational competencies are:

- 1) **Quality and Safety:** UW Health must continually improve the quality and safety of our care to best serve our patients and their families.
- 2) **Staff and Physician Wellbeing:** UW Health must ensure that staff and physicians have what they need to effectively care for the people and families we serve while also caring for their own wellbeing.
- 3) **Information Management and Analytics:** Comprehensive, reliable, secure and accessible information is integral to the management and growth of UW Health.
- 4) **Financial Performance:** In order for UW Health to continue to have the privilege of caring for patients and delivering remarkable healthcare, we need to maintain financial health.

Five Domains

To advance our vision and strategic plan, we identified 5 strategic areas we call "domains" where we will focus our work. Our five strategic domains are illustrated below:



1. PATIENT EXPERIENCE

Goal: Exceed expectations of our patients and families

Why the strategic focus: Being available and accessible when needed is essential to the patients, families and the communities we serve. We must provide easy access to our inpatient and outpatient services in order to provide remarkable healthcare.

2. POPULATION HEALTH

Goal: Distinguished value for patients, payers, and partners

Why the strategic focus: We have a unique opportunity and obligation to deliver high value care for the populations we serve. This requires that we deliver the right care at the right time and right place while, at the same time, providing a great experience and exceptional outcomes at the lowest possible cost.

3. DISTINCTIVE PROGRAMS

Goal: Acclaimed clinical programs with national profile

Why the strategic focus: Our capabilities and expertise position us to offer nationally recognized programs that provide remarkable health outcomes for patients locally, regionally and nationally. Fully tapping this potential will move us toward our vision.

4. TRANSLATIONAL RESEARCH AND INNOVATION

Goal: Preferred partner to take innovation from discovery to the people we serve

Why the strategic focus: Our relationship with the UW School of Medicine and Public Health and broader UW system uniquely positions us to leverage the power of our academic partners to make significant contributions to science and healthcare innovation.

5. GEOGRAPHIC REACH

Goal: Smart growth to serve more communities

Why the strategic focus: We aim to develop meaningful partnerships and serve more communities. In doing so, we will reach the larger population necessary to sustain the full range of services we provide, and to effectively train the next generation of clinicians.

STRATEGIC ACCOMPLISHMENTS

Staff and Patient Safety

The role of health systems during a pandemic response is challenging both to support the health needs of those with pandemic related illnesses, those with existing non-pandemic related illnesses, and ensuring health system staff remain healthy to care for those requiring care. Significant efforts were undertaken to ensure we secured needed resources to keep our staff safe and trained with the latest personal protective equipment (PPE). Our work included partnering with University of Wisconsin R&D teams to develop PPE that met the needs of staff.

- We also modified our staff working arrangements to account for the changing family demands of our staff.
- We partnered with others in the community to offer alternative childcare solutions for health care workers.
- We created flexible working arrangements to ensure staff had the resources needed to care for patients and support their families.
- We also deployed over 2,600 laptops to allow staff to work remotely across both clinical and non-clinical roles.

Many lessons learned from our COVID-19 response will be incorporated into our normal business operations moving forward. Overall, the efforts to support patients and our staff demonstrated the genius, the empathy, the grit and the innovation of UW Health during this pandemic.

Supporting the Community

As a leading Academic Health System we are in a unique position to package our world-class research for us at the patient bedside and to serve as a public messenger of science around the COVID-19 virus. The evolving nature of information and studies around the virus made our role critical to help continue to keep the community aware of the latest guidelines and help keep our community safe. We took early actions including standing up a COVID hotline and building a COVID microsite and internal hub. We stepped in to serve as a voice of authority and an information hub to support our staff and the public when other resources were lacking. To date we have seen over 3.2M page views to our internal COVID hub, and nearly 1M to our COVID microsite. Additionally, we've developed over 200 messages of the day for media and have placed over 15,000 COVID related media stories throughout the state.

Staff and Physician Well-being

While most of the attention during the pandemic has been on physical safety measures for our patients and staff, UW Health never lost site of the need to support our faculty and staff. To that end, we:

- Created a new position of Chief Wellness Officer, hiring Dr. Mariah Quinn to lead system-wide efforts to measure burnout, professional fulfillment and the implementation and evaluation of wellbeing initiatives.
- Expanded the resources available to assist with the emotional, physical, and financial wellbeing of our faculty and staff.

We expect these resources to be important through the duration of the pandemic and well beyond.

Advancement of Diversity, Equity, and Inclusion (DEI)

We have made many advances in our investment in DEI at UW Health during the pandemic. The disproportionate impact of COVID-19 on communities of color, as well as racial inequality in our country have moved us to recognize that DEI work

is critical to the foundation of our success as a healthcare organization. We have a direct and significant role in recognizing how to dismantle racism in ourselves, in our system, and in our community. Here are some highlights of the critical steps we have taken to do so:

- Infrastructure: Capacity building by elevating the Chief Diversity Officer into a Vice President role and hiring of three DEI Program Coordinators
- Board endorsed vision and goals centering antiracism efforts
- Diversity, Equity, and Inclusion has been added as a foundational competency in our updated UW Health Strategic Plan
- Action oriented DEI work: Expanding professional development and training programs; mandatory unconscious bias training for leaders and trained 3,375 people trained in 2020
- Intentional support for our providers and staff of color: Expansion and continued engagement of our Employee Resource Groups
- Finalizing our Patient, Family and Visitor Discriminatory Request or behavior policy
- Integration of equity tools into decision-making and operational processes
- Increased investment of time and funds to support grassroots and grass top organizations doing work in communities of color to address social determinants of health.
- We were recognized again by the Human Rights Campaign as a Leader in LGBTQ Healthcare Equality.

Collaboration

We seek opportunities to collaborate and the business relationship between UW Health and UnityPoint Health – Meriter proved to be critically important during FY20/21. Our joint operating agreement (JOA) allowed the health systems to address capacity concerns quickly as COVID-19 cases rose in the Dane County community. This allowed patients to receive the care they needed at the right time and place. Fortunately, the two health systems have a history of collaboration dating back more than 50 years that includes a shared destination mother-baby care program, the Madison Surgery Center, Wisconsin Sleep, the UW Health Rehabilitation Hospital, Generations Fertility Care, and more. Furthermore, insurance plans from Physicians Plus, Unity, and Gunderson Health Plan have integrated to create broader network choices for patients across Wisconsin.

Education

With a robust array of Graduate Medical Education offerings, UW Health has continued its growth trajectory, proudly overseeing 79 ACGME accredited programs, including 24 residencies and 55 fellowships, with more than 690 total trainees. In FY21, UW Health continued to improve the quality of learning environments for residents and fellows in ACGME-accredited programs. The goal is to ensure residents are integrated into - and knowledgeable about - UW Health policies and protocols regarding patient safety, quality improvement, and transitions in care, as well as GME work hours and professionalism. Beyond these basics, the focus is on ensuring that residents and fellows are fully included in UW Health's work related to quality improvement, patient and family experience, and the interdisciplinary model of care. In addition, GME programs remain critical as a source of outstanding faculty recruits for UW SMPH and UW Health with over 35% of existing UW Health clinical attending physicians trained in a UW Health-sponsored GME program.

As it does every year, UW Health not only trains resident physicians and fellows but also members of residency programs in pharmacy, physical therapy, nursing, and hospital administration. Other new trainees include those in dietetic internships, a fellowship in athletic training and training programs in ultrasonography, radiologic technology, emergency medical services, and a host of other areas.

As a result of COVID-19, UW Health and GME Administration worked diligently to provide necessary resources to support the GME community and provide safe patient care. The institutional COVID-19 response and support included, but was not limited to:

- Regular communication to GME community via email, Q&A forum, and Qualtrics survey
- Ensured adequate PPE, including instructions for appropriate PPE usage
- Virtual training for those redeployed to acute care or hospital medicine services prior to deployment

- Increased well-being resources to include peer support, remote work options, temporary housing on campus for quarantining (as needed).

Research

Our advancements in clinical trials in the past year are best represented through a lens of our response to COVID-19. The demands of COVID-19 to support patient and research needs focused our efforts on the timeliness, equity, and collaboration of our work. We streamlined clinical research processes to support remote research teams including eConsent and optimizing EPIC for research teams. Clinical trials were integrated into patient care to provide a more a patient-centric focus to care for research participants while also working to ensure our clinical trial populations proportionally represented the Dane County and broader catchment area population.

Key highlights of our actions included:

- During the first 5 months of the pandemic, 82% of COVID-19 patients received treatment as part of a clinical trial UW Health was one of the first to implement early use of convalescent plasma and our program provided donated plasma to supply other states/hospitals. Convalescent plasma treatments went on to receive emergency use authorization and has seen widespread use around the world.
- UW Health and the UW School of Medicine and Public Health become one of the first to conduct clinical trials on a promising COVID-19 treatment and preventative from Regeneron Pharmaceuticals. Regeneron has since received emergency use authorization for the treatment of COVID-19. Along with other monoclonal antibody treatments, Regeneron has become a valuable tool in helping at-risk patients avoid serious affects from COVID-19.
- Served as a flagship US site for the AstraZeneca COVID vaccine trial. Enrollment efforts were highly successful in securing communities of color into the trial. o Impact COVID-19 treatment trials opened in 21 days/prior average > 100 days
- Implemented centralized structure for COVID-19 clinical trials including specialized coordinators, regulatory staff and leadership to partner with other groups.
- Quickly developed a biobank of COVID samples to support researchers
- UW Health launched StudyFinder, a website that allows patients to quickly and easily find clinical studies that are open and seeking participants.

Transplant

Despite the response to COVID-19, UW Health’s transplant program set a new yearly record with 548 transplants. This included new records of 315 kidney transplants, 173 deceased organ donors. Included in these numbers were seven heart transplants from donors through circulatory death (DCD) through a clinical trial that doctors say could significantly increase heart transplants.

Community Service

UW Health follows the community benefit reporting categories and definitions of the Wisconsin Hospital Association. The figures below, reported in June 2021, are based on the most recent available data.

Community Health Improvement Services	
Community Health Education	\$600,267
Community-Based Clinical Services	\$32,363
Healthcare Support Services	\$3,437,418
TOTAL Community Health Improvement Services	\$4,173,911
Health Professions Education	\$61,569,068
Subsidized Health Services	\$2,943,753
Research	\$23,317,945
Financial and In-Kind Contributions	\$7,554,171
Community Building Activities	\$1,968,378

Community Benefit Operations	\$144,660
Financial Assistance (charity care)	\$22,611,583
Government-Sponsored Healthcare	\$127,481,655
TOTAL COMMUNITY BENEFIT	\$253,042,909

Financial Performance

Net income for the fiscal year ending June 30, 2021, increased over the prior year. Net income as a percentage of revenue, excluding the fair value gain/loss on investments and the fair value loss on swap agreements was 7.6% percent including the \$28.5 million of federal stimulus funding.

Financial Performance 2021-2020

Financial summaries

	AUDITED FY 2021	AUDITED FY 2020
University of Wisconsin Hospital and Clinics Authority		
Summary of Financial Results for Fiscal Years Ended June 30, 2021 and 2020 (\$000 omitted)		
Net Revenue	\$3,795,487	\$3,386,907
Expenses	3,542,400	3,274,455
Payment to UW School of Medicine and Public Health for capital expenditure support	74,045	73,985
INCOME FROM OPERATIONS	179,042	38,467
Investment and other non-operating income	111,105	192,550
Fair value gain/loss on investments	246,421	(24,336)
Fair Value gain/loss on swap agreements	1,539	(1,441)
NET INCOME	\$ 538,107	\$ 205,240
Net income as % of revenue, excluding fair value gain/loss on investments and fair value loss on swap agreements	7.6%	6.8%

University of Wisconsin Hospital and Clinics Authority Summary of Financial Position as of June 30, 2021 and 2020 (\$000 omitted)

CURRENT ASSETS		
Cash	\$1,066,168	\$783,253
Patient & other accounts receivable	558,608	468,407
Inventories	62,405	54,236
Prepaid expenses	43,276	45,924
Due from related entity	7,471	29,952
TOTAL CURRENT ASSETS	1,737,928	1,381,772
Investments	1,777,290	1,506,019
Net property & equipment	1,245,596	1,251,901
Other assets	500,295	307,859
TOTAL ASSETS	\$5,261,109	\$4,447,551
Deferred outflows of resources	449,314	325,087
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$5,710,423	\$4,772,638
CURRENT LIABILITIES		
Current installments of long-term debt	\$18,907	\$18,154
Accounts payable & accrued liabilities	879,112	554,761
TOTAL CURRENT LIABILITIES	\$ 898,019	\$ 572,915
Long-term debt	\$ 719,703	\$ 714,920
Other long-term liabilities	277,789	390,812
Deferred inflows of resources	586,691	411,229
Net assets	3,228,221	2,682,762
TOTAL LIABILITIES & NET ASSETS	\$5,710,423	\$4,772,638
Net days revenue in accounts receivable	54	51
Long-term debt to total capitalization	0.18	0.21